



February 23, 2016

ENGROSSED SENATE BILL No. 238

DIGEST OF SB 238 (Updated February 22, 2016 11:24 am - DI 109)

Citations Affected: IC 6-6; IC 6-7; IC 14-32; IC 15-11.

Synopsis: Soil and water conservation funding. Specifies that a certain part of the cigarette tax fund money annually appropriated to the department of natural resources under current law shall be appropriated to and used by the division of soil conservation of the state department of agriculture (division) for soil conservation. Provides that the limit on the amount of local government funds received by a soil and water conservation district that the state may be obligated to match must be adjusted if, because of a merger or a change in boundaries, the territory of the soil and water conservation district: (1) is larger than the entire area of one county; or (2) is smaller than the entire area of one county. Provides that a soil and water conservation district that does not receive funding from a political subdivision may receive funding from another funding source, and that the funding from the other funding source qualifies for the dollar-for-dollar matching funding from the division of soil conservation. Removes the administration of the lake and river enhancement program from the statutory duties of the division to conform to current practice.

Effective: July 1, 2016.

Glick, Messmer, Mrvan

(HOUSE SPONSORS — MORRISON, EBERHART)

January 7, 2016, read first time and referred to Committee on Natural Resources.
January 26, 2016, amended, reported favorably — Do Pass.
January 28, 2016, read second time, ordered engrossed. Engrossed.
February 1, 2016, read third time, passed. Yeas 48, nays 2.

HOUSE ACTION

February 9, 2016, read first time and referred to Committee on Natural Resources.
February 22, 2016, amended, reported — Do Pass.

ES 238—LS 6718/DI 55



February 23, 2016

Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 238

A BILL FOR AN ACT to amend the Indiana Code concerning natural resources and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-6-11-12.5, AS AMENDED BY P.L.151-2012,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]: Sec. 12.5. (a) The lake and river enhancement fund is
4 established and allocated for the following purposes:

5 (1) One-half (1/2) of the fund shall be used to pay costs incurred
6 by the department of natural resources in implementing the lake
7 and river enhancement projects. ~~required by IC 14-32-7-12(b)(7):~~

8 (2) One-half (1/2) of the fund shall be used by the department of
9 natural resources to pay for lake or river (as defined in
10 IC 14-32-7-12) projects, including, but not limited to, projects to:

11 (A) remove sediment;

12 (B) control exotic or invasive plants or animals; or

13 (C) remove logjams or obstructions.

14 For purposes of this subdivision, the fund may not be used for
15 projects relating to a ditch or manmade channel.

16 (b) The fund shall be administered by the director of the department
17 of natural resources.

ES 238—LS 6718/DI 55



(c) Expenses of administering the fund shall be paid from money in the fund.

(d) The fund consists of the revenue from the lake and river enhancement fee paid by boat owners and deposited under section 12(c)(1) of this chapter.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) With the approval of the governor and the budget agency, the money in the fund allocated under subsection (a)(1) may be used to augment and supplement the funds appropriated for the implementation of lake and river enhancement projects. ~~required by IC 14-32-7-12(b)(7).~~

SECTION 2. IC 6-7-1-29.1, AS AMENDED BY P.L.241-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 29.1. (a) One-sixth (1/6) of the money in the cigarette tax fund is annually appropriated **as follows**:

(1) The amount to which subsection (d) applies is annually appropriated to the division of soil conservation for the purpose set forth in subsection (d).

(2) The remainder of one-sixth (1/6) of the money in the cigarette tax fund is annually appropriated to the department of natural resources for the purposes set forth in subsections (b) and (c).

(b) The department **of natural resources** shall use at least two percent (2%) but not more than twenty-one percent (21%) of the money appropriated to it under this section for:

(1) flood control and water resource projects, including multiple-purpose reservoirs; and

(2) applied research related to technical water resource problems.

The department **of natural resources** may use the money **to which this subsection applies** to plan, design, acquire land for, or construct the projects.

(c) The department **of natural resources** shall use at least thirty-six percent (36%) of the money appropriated to it under this section to construct, reconstruct, rehabilitate, or repair general conservation facilities or to acquire land.

(d) The ~~department~~ **division of soil conservation of the Indiana state department of agriculture** shall use at least forty-three percent (43%) of the money appropriated ~~to the department~~ under this section for soil conservation. ~~and lake and river enhancement under IC 14-32-~~

SECTION 3. IC 14-32-7-12, AS AMENDED BY P.L.175-2006, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2016]: Sec. 12. (a) As used in this section, "river" includes streams and the tributaries of rivers.

(b) The division of soil conservation shall do the following:

(1) Perform all administrative duties required by the rules of the board.

(2) Provide professional assistance to districts in planning, coordinating, and training for the following:

(A) Adult soil and water conservation education.

(B) Natural resources conservation information programs for elementary and secondary schools.

(C) Supervisors and staff.

(3) Provide professional soil conservation technical assistance to districts.

(4) Provide nonagricultural soils interpretive and erosion control expertise on a regional basis.

(5) Assist the districts and other federal, state, and local entities in encouraging and monitoring compliance with those aspects of the programs that are related to erosion and sediment reduction.

(6) Administer a cost share program for installation of erosion control structural measures on severely eroding cropland and for conversion of highly erodible land from crop production to permanent vegetative cover.

~~(7) Administer a lake and river enhancement program to do the following:~~

~~(A) Control sediment and associated nutrient inflow into lakes and rivers.~~

~~(B) Accomplish actions that will forestall or reverse the impact of that inflow and enhance the continued use of Indiana's lakes and rivers.~~

~~(8)~~ (7) Provide professional assistance to districts in conservation needs assessments, program development, and program evaluation.

SECTION 4. IC 14-32-8-8, AS AMENDED BY P.L.1-2007, SECTION 129, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. (a) In addition to funds provided to a district under section 7 of this chapter or from any other source, the division of soil conservation shall pay to the district one dollar (\$1) for every one dollar (\$1) the district receives:

(1) from a political subdivision; **or**

(2) if a district receives no funding from a political subdivision, from any other funding source.

The board shall consider funds received from a source referred to



1 **in subdivision (2) as qualifying for matching payments under this**
 2 **subsection.**

3 (b) **Except as provided in section 8.2 of this chapter,** the state is
 4 not obligated to match more than ten thousand dollars (\$10,000) under
 5 this section.

6 (c) In order to receive funding under this section each year, a district
 7 must certify to the division of soil conservation the amount of money
 8 the district received from all ~~political subdivisions~~ **sources described**
 9 **in subsection (a)(1) or (a)(2)** during the one (1) year period beginning
 10 January 1 of the previous year. The information prepared under this
 11 subsection must be part of the annual financial statement prepared and
 12 provided to the board under IC 14-32-4-22. The division of soil
 13 conservation shall make distributions under this section not later than
 14 July 15 of each year.

15 (d) Before making distributions under this section, the division of
 16 soil conservation shall determine the total amount of money that has
 17 been certified by all districts as having been provided by ~~political~~
 18 ~~subdivisions.~~ **sources described in subsection (a)(1) or (a)(2).** If the
 19 cumulative amount to be distributed to all districts exceeds the amount
 20 appropriated to the fund, the division of soil conservation shall reduce
 21 the distribution to each district proportionately.

22 (e) A district must spend money received under this section for the
 23 purposes of the district.

24 SECTION 5. IC 14-32-8-8.2 IS ADDED TO THE INDIANA CODE
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 26 1, 2016]: **Sec. 8.2. (a) This section applies to a district if, as the**
 27 **result of:**

28 **(1) the merger of two (2) or more districts; or**

29 **(2) the changing of the boundaries of one (1) or more districts**
 30 **under IC 14-32-6.5;**

31 **the territory of the district is larger than the entire area of one (1)**
 32 **county.**

33 **(b) The limit in section 8(b) of this chapter on the funds from**
 34 **political subdivisions that the state may be obligated to match shall**
 35 **be adjusted under this section in the case of a district described in**
 36 **subsection (a).**

37 **(c) If the territory of a district includes the entire area of two (2)**
 38 **or more counties, the limit on the funds from political subdivisions**
 39 **that the state may be obligated to match is ten thousand dollars**
 40 **(\$10,000) multiplied by a whole number equal to the number of**
 41 **counties whose entire area is included in the territory of the**
 42 **district.**



(d) If the territory of a district includes some of but less than the entire area of a particular county, the limit on the funds from political subdivisions that the state may be obligated to match is the sum of:

(1) ten thousand dollars (\$10,000) multiplied by a percentage equal to the percentage of the particular county's entire area that is included in the territory of the district; plus

(2) either:

(A) ten thousand dollars (\$10,000), if the territory of the district also includes all the area of one (1) other county; or

(B) the figure calculated under subsection (c), if the territory of the district also includes all the area of two (2) or more counties.

SECTION 6. IC 14-32-8-8.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8.3. (a) This section applies to a district if, as the result of:

(1) the merger of two (2) or more districts; or

(2) the changing of the boundaries of one (1) or more districts under IC 14-32-6.5;

the territory of the district is smaller than the entire area of one (1) county.

(b) The limit in section 8(b) of this chapter on the funds from political subdivisions that the state may be obligated to match shall be adjusted under this section in the case of a district described in subsection (a).

(c) If the territory of a district contains less than the entire area of one (1) county, the limit on the funds from political subdivisions that the state may be obligated to match is the product of:

(1) ten thousand dollars (\$10,000); multiplied by

(2) a percentage equal to the percentage of the county's entire area that is included in the territory of the district.

SECTION 7. IC 15-11-4-3, AS ADDED BY P.L.2-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The division shall do the following:

(1) Provide administrative and staff support for the soil conservation board.

(2) Administer all programs relating to land and soil conservation in Indiana.

(3) Manage Indiana's watersheds.

(4) Administer the clean water Indiana program.

(5) Perform other functions assigned by the secretary or the



1 director.

2 (b) The duties of the division do not include administering the Lake
3 Michigan Coastal program. The Lake Michigan Coastal program shall
4 administer the state's compliance with and provide assistance under the
5 federal Coastal Zone Management Act (16 U.S.C. 1451 et seq.).

6 (c) ~~The duties of the division do not include those listed in~~
7 ~~16-32-7-12(b)(7).~~



COMMITTEE REPORT

Madam President: The Senate Committee on Natural Resources, to which was referred Senate Bill No. 238, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-6-11-12.5, AS AMENDED BY P.L.151-2012, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12.5. (a) The lake and river enhancement fund is established and allocated for the following purposes:

- (1) One-half (1/2) of the fund shall be used to pay costs incurred by the department of natural resources in implementing the lake and river enhancement projects. ~~required by IC 14-32-7-12(b)(7).~~
- (2) One-half (1/2) of the fund shall be used by the department of natural resources to pay for lake or river (as defined in IC 14-32-7-12) projects, including, but not limited to, projects to:
 - (A) remove sediment;
 - (B) control exotic or invasive plants or animals; or
 - (C) remove logjams or obstructions.

For purposes of this subdivision, the fund may not be used for projects relating to a ditch or manmade channel.

(b) The fund shall be administered by the director of the department of natural resources.

(c) Expenses of administering the fund shall be paid from money in the fund.

(d) The fund consists of the revenue from the lake and river enhancement fee paid by boat owners and deposited under section 12(c)(1) of this chapter.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) With the approval of the governor and the budget agency, the money in the fund allocated under subsection (a)(1) may be used to augment and supplement the funds appropriated for the implementation of lake and river enhancement projects. ~~required by IC 14-32-7-12(b)(7).~~

Page 2, line 11, after "conservation" insert ".".

Page 2, line 11, strike "and lake and river enhancement under IC 14-32."

Page 2, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 3. IC 14-32-7-12, AS AMENDED BY P.L.175-2006,



SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12. (a) As used in this section, "river" includes streams and the tributaries of rivers.

(b) The division of soil conservation shall do the following:

(1) Perform all administrative duties required by the rules of the board.

(2) Provide professional assistance to districts in planning, coordinating, and training for the following:

(A) Adult soil and water conservation education.

(B) Natural resources conservation information programs for elementary and secondary schools.

(C) Supervisors and staff.

(3) Provide professional soil conservation technical assistance to districts.

(4) Provide nonagricultural soils interpretive and erosion control expertise on a regional basis.

(5) Assist the districts and other federal, state, and local entities in encouraging and monitoring compliance with those aspects of the programs that are related to erosion and sediment reduction.

(6) Administer a cost share program for installation of erosion control structural measures on severely eroding cropland and for conversion of highly erodible land from crop production to permanent vegetative cover.

~~(7) Administer a lake and river enhancement program to do the following:~~

~~(A) Control sediment and associated nutrient inflow into lakes and rivers.~~

~~(B) Accomplish actions that will forestall or reverse the impact of that inflow and enhance the continued use of Indiana's lakes and rivers.~~

~~(8)~~ (7) Provide professional assistance to districts in conservation needs assessments, program development, and program evaluation."

Page 4, after line 4, begin a new paragraph and insert:

"SECTION 7. IC 15-11-4-3, AS ADDED BY P.L.2-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The division shall do the following:

(1) Provide administrative and staff support for the soil conservation board.

(2) Administer all programs relating to land and soil conservation in Indiana.

(3) Manage Indiana's watersheds.



(4) Administer the clean water Indiana program.

(5) Perform other functions assigned by the secretary or the director.

(b) The duties of the division do not include administering the Lake Michigan Coastal program. The Lake Michigan Coastal program shall administer the state's compliance with and provide assistance under the federal Coastal Zone Management Act (16 U.S.C. 1451 et seq.).

(c) ~~The duties of the division do not include those listed in~~ ~~14-32-7-12(b)(7).~~"

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 238 as introduced.)

GLICK, Chairperson

Committee Vote: Yeas 7, Nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Natural Resources, to which was referred Senate Bill 238, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 38, delete "receives" and insert "receives:

(1)".

Page 3, line 38, delete "subdivision." and insert "subdivision; **or**

(2) if a district receives no funding from a political subdivision, from any other funding source.

The board shall consider funds received from a source referred to in subdivision (2) as qualifying for matching payments under this subsection."

Page 4, line 2, strike "political subdivisions" and insert "**sources described in subsection (a)(1) or (a)(2)**".

Page 4, line 10, strike "political".



Page 4, line 11, strike "subdivisions." and insert "**sources described in subsection (a)(1) or (a)(2).**".

and when so amended that said bill do pass.

(Reference is to SB 238 as printed January 27, 2016.)

EBERHART

Committee Vote: yeas 12, nays 0.

